

## Message Text

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COMMERCE FOR MEPD CONGER

E.O. 11652: NA

TAGS: BENC, BTRA, GB

SUBJECT: MAJOR PROJECTS: BROWN AND ROOT AND OCEANIC  
CONTRACTORS

REFS: STATE 240558; STATE 242424

SUMMARY: BROWN AND ROOT AND OCEANIC REPRESENTATIVES LEFT  
LIBREVILLE OCTOBER 14 FOLLOWING SERIES OF FRUITFUL MEETINGS  
WITH KEY GOG OFFICIALS WHICH LEFT BOTH FIRMS REASONABLY  
OPTIMISTIC ABOUT CONTRACT PROSPECTS HERE. END SUMMARY.

1. SLOAN AND PEREIRE OF BRWON AND ROOT HAD SERIES OF  
MEETINGS OCTOBER 12 (ACCOMPAINED BY AMBASSADOR ) WITH  
MINISTERS RESPONSIBLE FOR PROJECTS OF INTEREST TO THEM--  
MINTRANSPORT RAWIRI (SANTA CLARA), MINMINES AND ENERGY  
MBOUY- BOUTZIT( BRAND POUBARA), AND MINECON COORDINATION  
NTOUTOUME (SOGACEL AND OVERALL ECONOMIC POLICY). IN  
ADDITION, THEY HAD SECOND MEETING OCTOBER 13 WITH  
MTOUTOUME JOINTLY WITH HEURTEY INDUSTIRS, FRENCH  
ENGINERRING FIRM FOR WHOM BROWN AND ROOT WLULD BE SUB-  
CONTRACTORS ON SOGACEL PROJECT IF THEIR JOING PROPOSAL IS  
ACCEPTED.

2. RAWIRI WAS MOST FORTHCOMING ON SANTA CLARA, REITERATING  
PRESIDENT BONGOS PREVIOUSLY DECLARED INTENTION OF AWARDING  
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PROJECT TO AMERICAN FIRM. HE CONFIRMED THAT TIME

FRAME FOR CONSTRUCTION LIKELY BE 1979-81, WITH CALL FOR BIDS ANTICIPATED DURING SECOND HALF OF 1977 AND PROCUREMENT BY SUCCESSFUL CONTRACTOR TO BE UNDERTAKEN DURING 1978. RAWIRI LAID HEAVY STRESS ON IMPORTANCE OF FINANCING AS ELEMENT OF TOTAL PROPOSAL, AND BROWN AND ROOT REPS PROMISED EXPLORE FINANCING POSSIBILITIES PROMPTLY WITH CITIBANK AND OTHERS. IN THIS REGARD, RAWIRI ASKED THAT PROPOSALS BE BASED ON ASSUMPTION THAT SOMIER GEOLOGICAL TESTING CURRENTLY UNDERWAY WILL LEAD TO FAVORABLE DECISION ON IRON ORE PRODUCTION BY 1983, SO THAT SANTA CLARA WILL THUS BE BUILT TO HANDLE BOTH MANGANESE AND IRON ORE, HE ADDED, HOWEVER, THAT VARIANT OF PRELIMINARY PROPOSAL SHOULD ALLOW FOR POSSIBILITY OF FIRST PHASE CONSTRUCTION TO HANDLE MANGANESE ALONE, THOUGH HE EMPHASIZED HIS PERSONAL VIEW THAT THIS EVENTUALITY WAS FAR LESS LIKELY.

3. ON GRAND POUBARA, MBOUY-BOUTZIT REVIEWED GOG CONSIDERATIONS PREVIOUSLY EXPLAINED TO TAMS AND CTMI-- IMPORTANCE OF FINDING BOTH ADDITIONAL CONSUMERS FOR POEER BEYOND FERRO- MANGANESE PLANT AND NEED FOR MOST FAVORABLE POSSIBLE FINANCING. AGAIN, BROWN AND ROOT AGREED TO EXPLORE FINANCING PROSPECTS AND ADE CLEAR THEIR STRING INTEREST IN BIDDING ON CONSTRUCTION, BUT DISCUSSIONS WERE FAR MORE GENERAL AND PRELIMINARY THAN IN CASE OF SANTA CLARA. BROWN AND ROOT LATER TOLD AMBASSADOR THAT THEY MAY APPROACH ENGINEERING FIRMS SUCH AS TAMS OR CTMI (OR PERHAPS EDF, WHICH STILL APPEARS TO HAVE INSIDE TRACK FOR FURTHER ENGINEERING WORK ON POUBARA PROJECT) FOR POSSIBLE JOINT PROPOSAL TO GOG.

4. SOGACEL WAS DISCUSSED WITH NTOUTOUME IN SEPARATE SESSION IN WHICH HEURTEY PARTICIPATED AND EMBASSY WAS NOT REPRESENTED. BROWN AND ROOT TOLD US AFTERWARD THAT THEY WERE GREATLY ENCOURAGED BY MEETING, AT WHICH NTOUTOUME COMPLAINED THAT GRENCH FIRMS INVOLVED (ELF-GABON AND ORIC) WERE NOT LEVELING WITH GOG AND ACCEPTED INVITATION TO ADD TWO GOG OFFICIALS TO GROUP WHICH WILL TOUR US PULP MILI NEXT WEEK AT BROWN AND ROOT INVITATION.

5. OCEANIC CONTRACTORS GROUP (STREIKERT, MCCARTE, AND LIMITED OFFICIAL USE

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CHOMEL) HAD SIMILAR MEETINGS OCTOBER 13 WITH RAWIRI AND NTOUTOUME (AGAIN ACCOMPANIED BY AMBASSADOR ) TO DISCUSS THEIR INTEREST IN SANTA CLARA, AND WERE GIVEN ALMOST IDENTICAL PRESENTATION BY BOTH MINISTERS. THEY SCORED EXTRA POINT BY PRESENTING LETTER FROM CITIBANK (ALAN GOLDIE) VOUCHING FOR THEIR CAPABILITIES AND REITERATING INTEREST IN POSSIBLE FINANCING FOR PORT PROJECT. OCEANIC REPS WOULD UP THEIR VISIT OCTOBER 14 BY CALLING

WITH AMBASSADOR ON PRESIDENT BONGO, WHO RECEIVED THEM  
ALONG WITH RESPONSIBLE MINISTERS FOR BRIEF COURTESY VISIT.  
OCEANIC REPS REITERATED INTEREST IN SANTA CLARA THEY HAD  
EXPRESSED TO PRESIDENT IN NEW YORK, AND BONGO IN TURN  
REAFFIRMED HIS DESIRE TO HAVE AMERICAN FIRM BUILD SANTA  
CLARA PORT AND TO SEE PROJECT COMPLETED AT EARLIEST  
POSSIBLE DATE.

6. SLOAN AND PERIERE OF BROWN AND ROOT WERE UNABLE TO  
REMAN FOR EXTRA DAY WHICH WOULD HAVE PERMITTED CALL ON  
PRESIDENT (NTOUTOUME TOLD THEM THAT CALL WAS NOT  
NECESSARY IN ANY EVENT.) AMBASSADOR EXPLAINED TO PRESIDENT  
THAT THEIR DEPARTURE WAS PROMPED BY DESIRE TO PREPARE FOR  
ARRIVAL IN US OF DELEGATION NOTED PARA 4 ABOVE. BONGO  
EXPRESSED APPRECIATION FOR THEIR VISIT HERE AND FOR  
THEIR ACTION IN INCLUDING GOG OFFICIALS IN VISITING  
GROUP.

7. COMMENT: EMBASSY GREATLY APPRECIATES MEPD AND  
DEPARTMENT ASSISTANCE IN OBTAINING PROMPT RESPONSE BY  
THESE TWO FIRMS TO PRESIDENTIAL INVITATION. THEY MADE HIGHLY  
POSITIVE IMPRESSION ON PRESIDENT AND RESPONSIBLE  
MINISTERS, AND ARE WELL PLACED TO PURSUE SANTA CLARA  
CONTRACT. BROWN AND ROOT/HEURTEY PARTNERSHIP ALSO  
APPEARS TO BE IN STRONG POSITION ON SOGACEL PROJECT, BUT  
COMPLEXITY OF SOGACEL STRUCTURE MAKES THIS ONE LESS CLEARCUT.  
OF THREE PROJECTS DISCUSSED BY BROWN AND ROOT,  
POUBARA IS FURTHEST DOWN THE LINE AND ONE WHICH WILL BE MOST  
FIERCELY CONTESTED BY FRENCH COMPETITORS. ON ALL THREE,  
FINANCING WILL BE KEY ELEMENT OF VARIOUS PROPOSALS PUT  
TO GO, SO POSITION OF EXIMBANK AND US COMMERCIAL BANKS  
WILL BE MAJOR DETERMINANT OF COMPETITIVENESS OF PROPOSALS  
BY US FIRMS. STEIGMAN  
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